

MEMORANDUM

To: Board of Regents

From: Board Office

Subject: Institutional Agreements, Leases and Easements

Date: January 7, 2002

Recommended Action: Approve the leases and easements for the benefit of the institutions as summarized below. **(ROLL CALL VOTE)**

Executive Summary:

Requirements The Iowa Code requires that agreements, leases and easements involving real property be approved by the Board of Regents by roll call vote.

Legal Review The leases and easements presented this month have been forwarded to the Attorney General's Office for review; a report of the review will be made at the January Board meeting.

Principal Information A listing of principals is included as Attachment A to this docket memorandum.

Requested Approvals Approval is requested for the following:

University of Iowa Lease renewal with Redwood Square for the University's use of apartment space in Baltimore, Maryland, for Department of Surgery residents at the R. Adams Cowley Shock Trauma Center in Baltimore;

Lease renewal and extension with the United States of America for its use of a portion of the University's Finkbine Commuter Parking Lot by the Veteran's Administration Hospital;

Lease extension with the City of Des Moines for the University's use of space at the Des Moines International Airport for programs of the Division of Continuing Education; and

Lease agreement with Applied Fullerene for its use of business incubator space at the Oakdale Research Park.

Iowa State University

Lease agreements with Global Reach Internet Productions and PROPLANNER.COM for their use of business incubator space in the Iowa State Innovation Center at the ISU Research Park;

Lease renewal with the Newell American Legion Post #193 for the University's use of farm land for the Allee Demonstration Farm in Buena Vista County, Iowa; and

Easement agreement with McLeodUSA for the installation and operation of fiber optic cable on the University campus.

University of Northern Iowa

Lease renewal with DL Olson, L.C., for the University's use of warehouse space which provides an indoor practice facility for the baseball team; and

Lease renewal with Ken Caines for the University's use of space in the Cedar Falls Industrial Park for the Iowa Waste Reduction Center.

Iowa School for the Deaf

Lease agreement with the University of Iowa for its use of space on the School's campus for the Child Health Specialty Clinics.

Background and Analysis:**A. UNIVERSITY OF IOWA LEASES**

Landlord	Redwood Square (renewal)
Area/Location	551 square feet of apartment space located at 412 West Redwood Street, #408, Baltimore, Maryland.
Lease Rate	\$710 per month (\$15.46 per square foot, \$8,520 per year).
Space/Rate Comparison	Rental rate increase of 7.5 percent per square foot over the rate paid under the current lease agreement. (The amount of space is unchanged.)
Lease Term	12 month period commencing January 1, 2002, through December 31, 2002.
Use of Space	Housing for Department of Surgery residents during their rotation at the R. Adams Cowley Shock Trauma Center in Baltimore.
Liability	The University agrees to be responsible for claims arising from its use and occupancy of the space in accordance with <u>Iowa Code Chapter 669</u> .
Additional Information	The surgical rotation provides trauma experience in a large urban setting which is required for certification of the surgical residents (this level of experience is not available at the University's medical facilities).

Tenant	United States of America (extension and renewal)
Area/Location	170 parking spaces in the University's Finkbine Commuter Parking Lot located to the west of Duane Banks Baseball Stadium Field and Grant Field on the University's west campus.
Lease Term	<p>The lease extension is effective for a four-month period commencing October 1, 2001, through January 31, 2002.</p> <p>The lease renewal is effective for a 43-month period commencing February 1, 2002, through September 30, 2005.</p>
Lease Rate	<p>\$35 per parking space per month (\$5,950 per month, \$71,400 per year) for the lease extension period.</p> <p>\$42 per parking space per month (\$7,140 per month, \$85,680 per year) for the lease renewal period.</p>
Space/Rate Comparison	<p>The number of parking spaces for the extension and renewal periods is unchanged from the current lease.</p> <p>The rental rate for the extension period is unchanged.</p> <p>The rental rate for the renewal period is an increase of 20 percent per parking space over the current rate paid.</p>
Use of Space	Parking for some employees of the Veterans Administration Hospital.
Liability	The lease provides that the University is not to be responsible for any damages or injuries caused by negligent acts or omissions of the Government, its agents or employees, arising from or incidental to the occupancy of the premises covered by the lease.

Landlord **City of Des Moines, Iowa (extension)**

Area/Location	1,300 square feet of space (two conference rooms and a board room) at the Des Moines International Airport, Des Moines, Iowa.
Lease Term	Three-year period commencing December 1, 2001, through November 30, 2004.
Lease Rate	There will be no rent charged to the University for the extension period; this was offered by the City of Des Moines when the University indicated its plans to discontinue leasing the space due to budget constraints.
Space/Rate Comparison	The University was paying \$25,000 per year for the period commencing December 1, 1998, through November 30, 2001. (The amount of space is unchanged.)
Use of Space	Division of Continuing Education programs via the ICN, Monday through Friday, 4:00 p.m. to 10:00 p.m.
Other Terms	<p>The original lease agreement allows the landlord to purchase all or a portion of the University's ICN equipment installed in the lease area at the end of the initial lease term (November 30, 2001).</p> <p>The landlord may purchase the equipment for its remaining amortized value; under the terms of the agreement, the equipment was to be amortized on a straight-line basis over a period of five years.</p> <p>The University's equipment cost for the space was \$70,000; the remaining amortized value is \$28,000.</p>
Additional Information	<p>Following the lease extension period, the University plans to relocate the programs to the new building to be constructed for the Des Moines Higher Education Center.</p> <p>The University does not wish to relocate the programs to the temporary space for the Des Moines Higher Education Center since the space does not have ICN capability.</p>
Liability	The University agrees to be responsible for claims arising from its use and occupancy of the space in accordance with <u>Iowa Code</u> Chapter 669.

Tenant	Applied Fullerene (new)
Area/Location	362 square feet of space in the Technology Innovation Center at the Oakdale Research Park.
Lease Rate	\$181 per month (\$6 per square foot, \$2,172 per year).
Lease Term	One-year period commencing February 1, 2002, through January 31, 2003.
Use of Space	Applied Fullerene will develop an advanced electrical contact probe for use in microcircuit testing apparatus.
Liability	The tenant agrees to indemnify, defend, and hold harmless the University as customarily required.

B. IOWA STATE UNIVERSITY

LEASES

Tenant	Global Reach Internet Productions (new)
Area/Location	134 square feet of space in the Iowa State Innovation System at the ISU Research Park.
Lease Rate	\$225 per month (\$20.15 per square foot, \$2,700 per year).
Lease Term	Month-to-month effective November 15, 2001.
Use of Space	Global Reach Internet Productions utilizes cutting edge internet, multimedia, and computer technologies to provide innovative and interactive internet productions and services.
Liability	The tenant agrees to indemnify, defend, and hold harmless the University as customarily required.
Additional Information	The tenant plans to lease space on a temporary basis until additional space becomes available at the ISU Research Park.

Tenant	PROPLANNER.COM (new)
Area/Location	129 square feet of space in the Iowa State Innovation System at the ISU Research Park.
Lease Rate	\$200 per month (\$18.60 per square foot, \$2,400 per year).
Lease Term	Month-to-month effective January 1, 2002.
Use of Space	PROPLANNER.COM converts traditional manufacturing planning technologies to web-based software for access by small, medium, and large manufacturers in a timely and cost-effective manner.
Liability	The tenant agrees to indemnify, defend, and hold harmless the University as customarily required.
Additional Information	The tenant plans to lease space on a temporary basis until additional space becomes available at the ISU Research Park.
Owner	Newell American Legion Post #193 (renewal)
Area/Location	122.8 acres of farm land located in Buena Vista County, Iowa.
Lease Rate	\$132 per acre per year (\$16,209.60 per year).
Acre/Rate Comparison	The acreage and the rental rate are unchanged.
Lease Term	Three-year period commencing March 1, 2002, through February 28, 2005.
Use of Space	The land makes up a portion of the University's Allee Demonstration Farm in Buena Vista County, which is used for agriculture research and demonstration purposes (the University has leased the land since 1958).
Liability	The University agrees to indemnify, defend and hold harmless the Owner against any liability and expense for any and all damages, losses, or expenses incurred by the Owner in connection with the leased premises.
Additional Information	Revenues from the sale of farm produce at the Allee Farm would fund the lease payments.

EASEMENT

Grantee	McLeodUSA
Description/ Location	Permanent easement, 10 feet wide, located on University property parallel to 13 th Street along the north side of the Hawthorn Court apartments and horse pasture areas on the University's north campus.
Purpose	Installation and operation of fiber optic cable to complete a loop around the central section of the City of Ames. McLeod's use of the easement area would not adversely affect University activities.
Cost	The cable would be installed by the utility at no cost to the University.
Consideration	<p>The cable to be installed may at some future date also serve the requirements of future facilities constructed or operated by the University.</p> <p>The fiber optic cable would provide redundant service, which would be available for University use, if necessary, at a future date.</p>
Liability	The easement agreement requires McLeodUSA to indemnify and save the University and the Board of Regents harmless from damages resulting from use of the easement area.

C. UNIVERSITY OF NORTHERN IOWA LEASES

Landlord	DL Olson, L.C. (renewal)
Area/Location	5,000 square feet of warehouse space located at 126 East Seerley Boulevard, Cedar Falls, Iowa.
Lease Rate	\$1,400 per month (\$3.36 per square foot, \$16,800 per year).
Space/Rate Comparison	Rental rate increase of 27.3 percent per square foot over the rate paid under the current lease agreement. (The amount of space is unchanged.)
Lease Term	Two-year period commencing February 1, 2002, through January 31, 2004.
Use of Space	Indoor practice facility and storage space for the University baseball team.
Liability	The University agrees to be responsible for claims arising from its use and occupancy of the space in accordance with <u>Iowa Code</u> Chapter 669.

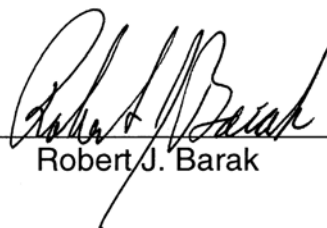
Landlord	Ken Caines (renewal)
Area/Location	8,000 square feet of space in the Cedar Falls Industrial Park, 6114 Chancellor Drive, Cedar Falls, Iowa.
Lease Rate	\$3,000 per month (\$4.50 per square foot, \$36,000 per year).
Space/Rate Comparison	The amount of space and the rental rate are unchanged.
Lease Term	Four-year period commencing April 1, 2002, through March 31, 2006.
Use of Space	Iowa Waste Reduction Center.
Liability	The University agrees to be responsible for claims arising from its use and occupancy of the space in accordance with <u>Iowa Code</u> Chapter 669.

D. IOWA SCHOOL FOR THE DEAF LEASE

Tenant	University of Iowa (new)
Area/Location	585 square feet of space on the second floor of the Infirmary Building.
Lease Rate	\$585 per month (\$12 per square foot, \$7,020 per year).
Lease Term	17 month period effective February 1, 2002, through June 30, 2003.
Use of Space	Iowa Child Health Specialty Clinic.
Liability	The University agrees to indemnify, defend, and hold harmless the School as customarily required.
Additional Information	The University of Iowa has leased 472 square feet of space for the Clinic from Jennie Edmundson Memorial Hospital in Council Bluffs since 1985. However, the Hospital has notified the University that the space is no longer available for lease. The University's use of space at the Iowa School for the Deaf would allow the Clinic to remain in the Council Bluffs area.



Sheila Lodge

Approved: 

Robert J. Barak

Attachment A

Listing of Principals for Leases and Easements

January 2002

<u>Lease</u>	<u>Principals</u>
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University of Iowa

Redwood Square

Becky Myers, Property Manager

The principal has no affiliation with the University.

United States of America

Gary Rogers, Contracting Officer
Department of Veterans Affairs Medical Center

The principal has no affiliation with the University.

City of Des Moines, Iowa
Des Moines International Airport

Des Moines International Airport Board
John R. Fitzgibbon, Chairperson

The principal has no affiliation with the University.

Applied Fullerene

Thomas Bahns, President

The principal has no affiliation with the University.

Iowa State University

Global Reach Internet Productions

Iacovos Zachariades

The principal has no affiliation with the University.

PROPLANNER.COM

David Sly, Dr. Helena Poist

David Sly has no affiliation with the University. However, Dr. Poist was employed in the Marketing Department from January 1, 1999 through December 31, 2001.

Newell American Legion Post #193

Norm Lund

The principal has no affiliation with the University.

McLeodUSA

Randall Rings

The principal has no affiliation with the University. Payments have been made to McLeodUSA for telephone-related charges.

University of Northern Iowa

DL Olson

David L. Olson

The principal has no affiliation with the University.

Iowa Waste Reduction Center

Ken Caines

The principal has no affiliation with the University.

Iowa School for the Deaf

University of Iowa Child Health Specialty Clinics

Bill Bowden

The principal has no affiliation with the University.